

Golf Terrace Owners Association

P. O. Box 2604
Daphne, Alabama 36526-2604

GOLF TERRACE CONDOMINIUMS

DECLARATION

ARTICLES OF INCORPORATION

BYLAWS

RULES AND REGULATIONS

EXHIBIT "D"

UNIT # AND PERCENTAGE

LEGAL DESCRIPTION

MASTER COPY

**AS AMENDED ON
MARCH 8, 2008**

BALDWIN COUNTY, ALABAMA
JUDGE ADRIAN T. JOHNS
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DECLARATION OF CONDOMINIUM

OF

GOLF TERRACE

A CONDOMINIUM

THIS DECLARATION, made this 29th day of
December, 1972, by Lake Forest, Inc., a
corporation created and existing under the laws of
the State of Alabama (herein called "Developer")
for itself, its successors, grantees and assigns.

WHEREIN, the Developer makes the following
declaration.

WHEREAS, Lake Forest, Inc., is the fee simple
owner of certain real property situated in Baldwin
County, Alabama, as is more particularly described
in Exhibit "A" which is attached hereto and made a
part hereof.

WHEREAS, Lake Forest, Inc intends to improve said real property more particularly described in said Exhibit "A" hereto attached by constructing hereon fifty-five (55) apartment units contained in eight (8) buildings, six (6) of which will be wholly two-story structures and two (2) of which will be partly one-story and partly two-story structures, said improvements to be constructed substantially in accordance with the plans prepared by The Architects Group, Architects of Mobile, Alabama, which plans are attached hereto as Exhibit "C" and made a part hereof; and located substantially as shown on the site plan attached hereto as Exhibit "B" and made a part hereof, which said lands and improvements are to be legally created as a condominium property by and through this enabling Declaration and under and by authority of Title 47, Section 286 et seq. (Code of Alabama, 1940 as Recodified and Amended) (also called the "Apartment Ownership Act"); and

WHEREAS, it is the intent of Developer that the condominium property hereby created as Golf Terrace shall be operated and administered as condominium property; and

WHEREAS, Developer proposed to establish by this Declaration a plan for the individual ownership of the area or space contained in the several Units in said structures and the co-ownership by the individual and separate owners thereof, as owners in common, of all of the remaining real property which is hereinafter defined and referred to as the "Common areas and facilities."

NOW, THEREFORE, Lake Forest, Inc., the Developer, hereby makes the following declaration as to the division to which said real property and improvements thereon may be put, hereby specifying that said Declaration shall constitute covenants to

run with the land and shall be binding upon Lake Forest, Inc., its successors and assigns, and upon all subsequent owners of all or any part of said real property and improvements, together with their grantees, successors, heirs, executors, administrators, devisees or assigns:

1. Purpose. The purpose of this Declaration of condominium is to submit the real property herein described and the improvements thereon constructed or to be constructed thereon to the condominium form of ownership and use in the manner provided for by the "Apartment Ownership Act", Title 47, Sections 286 et seq. (Code of Alabama, 1940 Recompiled and Amended).

2. Name. The name by which this condominium is to be known is Golf Terrace.

3. The Real Property.

(a) The real property owned by the Developer which is hereby submitted to the condominium form of ownership is the parcel of real property lying

and being in Baldwin county, Alabama, as is more particularly described in Exhibit "A" hereto and as is shown in Exhibit "B" hereto.

(b) Post Office Address. The post office address of said real property is Drawer C,
Daphne, Alabama, 36526.

4. Name of Person to Receive Service. The name and post office address of the person to receive service of process shall be Rex Nichols, Drawer C,
Daphne, Alabama 36526

5. Definition. The terms used in this Declaration of condominium and in the Bylaws of the Golf Terrace Owners Association, Inc. shall have the meanings stated in the Alabama Apartment Ownership Act as said Act is written as of the date hereof, and as follows:

A. "Unit" means an apartment as defined in said Act.

B. "Unit owner" means an apartment owner as defined in said Act.

C. "Association" means Golf Terrace Owners Association, Inc., and its successors.

D. "Condominium Documents" include the Declaration, the Bylaws, and the Rules and Regulations.

6. Golf Terrace Development Plan.

.1. Plans. The improvements have been or will be, as the case may be, constructed by the Developer substantially in accordance with the plans and specifications therefore prepared by The Architects Group, Architects of Mobile, Alabama, which plans, attached hereto as Exhibit "C", (consisting of 32 pages), include a set of floor plans of the units, showing the layout, apartment numbers and dimensions of the apartment, and bearing the verified statement of a registered architect that it is an accurate copy of the plans as approved by the Baldwin County Building Department. The improvements have been or will be, as the case may be, constructed by the Developer on

the said real property substantially as shown on Exhibit "B" hereto which shows the location and designating numbers of each unit of each building, which said buildings have no name.

.2. This Declaration may be amended by the filing of such additional plans as may be required to accurately describe the improvements of the condominium and in order to show completion of improvements. Such completion may be shown by a verified statement of a registered architect or licensed professional engineer certifying that the completed improvements have been constructed substantially as herein represented or, if not so constructed, then designating the changes made, and certifying that the plans being filed simultaneously with such verified statement, fully and accurately depict the layout, location, apartment numbers, and dimensions of the units as built. Such plans or verified statement, or both, when signed and acknowledged by such registered

architect or licensed professional engineer, and by the Developer and upon the giving by the Developer of the thirty (30) day written notice required by Section 18.7. of this Declaration, shall constitute an amendment to this Declaration without approval of the Association, unit owners, lessees or mortgagees of units of the condominium, whether or not elsewhere required for an amendment; provided, however, that no such amendment shall increase or decrease the number of units nor alter the percentage of undivided interest of the unit owners without compliance with Section 8.2. of this Declaration.

.3. Easements are reserved throughout the condominium property as may be required for utility services in order to adequately serve this condominium; provided, however, such easements to a unit shall be only in accordance with the plans and specifications for the building or as the buildings are constructed, unless approved in writing by the

unit owners. Each owner shall have an easement in common with the owners of all other units to use all pipes, wires, ducts, cables, conduits, public utility lines and other common elements located in any of the other units and serving his unit. Each unit shall be subject to an easement in favor of the owners of all other units to use the pipes, ducts, cables, wires, conduits, public utility lines, and other common elements serving such other units and located in such unit. The Association shall have a right of access to each unit to inspect the same, to remove violations therefore and to maintain, repair and replace the common elements contained therein or elsewhere in any building.

.4. Description of buildings and principal materials of which constructed. The buildings to be constructed upon the land include and will be limited to eight (8) buildings, six (6) of which

will be wholly two-store structures and two (2) of which will be partly one-story and partly two-story, said buildings to contain fifty-five (55) apartment units. The condominium will also include laundry rooms and parking areas for each unit located substantially as shown in the plans and specifications. The buildings are and will be wood frame with wood shingle roofs and sides. The interior finish will be sheetrock. Two-story buildings have outside wooden stairways. All units have one wooden balcony, and type-C units which are on the end of a building have two wooden balconies. Each apartment kitchen will be equipped with dishwasher, garbage disposal, range, oven and refrigerator. Each apartment unit is supplied with water, sewer line, and electricity, with a separate air conditioning and heating unit and hot water heater for each unit.

.5. The Common Elements. The common elements of the condominium will include the common areas

and facilities located substantially as shown upon the site plan (Exhibit "B" hereto attached), including the following:

- (a) The land described on Exhibit "A" hereto.
- (b) The driveways and paved areas, including the individual parking slots, serving the buildings.
- (c) All foundations, columns, beams and supports of the buildings.
- (d) All central and appurtenant installations for services such as power, lights, telephone, sewer and water, including all pipes, ducts, wires, cables, and conduits used in connection therewith, whether located in common areas or in units, all utility and mechanical equipment, and all buildings, and spaces, provided except **, however that all equipment, including ducts, wires, etc., which is a part of and constitutes the unit central air conditioning and

heating system, whether located inside or outside of a unit, and the unit hot water heater shall not constitute a common element, but shall be a part of the unit.

(e) The laundry area.

(f) The storage areas.

(g) Landscaping.

(h) All exterior walls, and all roofs, of the buildings.

.6. Share of Common Expenses. The proportionate share of each unit in the profits and common expenses in the common elements is the same as that set out in Exhibit "d" attached hereto.

.7. The Units. The description and location of the particular units and the appurtenances thereto are determined with the aid of the plans therefore as follows:

(a) Each building is assigned a letter and each apartment unit a number as indicated on the site plan, Exhibit "B" hereto, with ground-level

units having numbers in the '100" series, and second-story units having numbers in the "200" series. Numbers run consecutively from building to building, except that there are no units numbered 110, 210, 214, 116, 216, 218 or 219.

(b) The boundaries of a unit are the interior surfaces of the perimeter walls, floors, ceilings, windows and doors thereof, and a unit includes the portions just described, all walls within a unit which are not load-bearing walls, and the airspace encompassed by the boundaries as hereinabove described.

(c) Changes. The Developer reserves the right to change the interior design and arrangement of all units owned by Developer and to alter the boundaries between such units. Any such change shall be reflected by an amendment of this Declaration which may be executed by the Developer alone, notwithstanding the procedures for amendment described in Section 18. of this Declaration.

However, no such change shall increase or decrease the number of units nor alter the percentage or percentages of undivided interest of any such unit or units so altered without compliance with Section 8.2. of this Declaration.

7. Encroachments. If any portion of the common elements now encroaches upon any unit, or if any unit now encroaches upon any other unit or upon any portion of the common elements, as a result of the construction of any building, or if any such encroachment shall occur hereafter as a result of settling or shifting of any building, or as a result of any constuction done subsequent to the date hereof, a valid easement for the encroachment and for the maintenance of the same shall exist so long as such building stands. In the event any building, unit, adjoining unit, or adjoining common elements, shall be partially or totally destroyed as a result of fire, or other casualty, or as a result of condemnation or eminent domain

proceedings, and then rebuilt, encroachments or parts of the common elements upon any unit or of any unit upon any other unit, or upon any portion of the common elements, due to such rebuilding shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as such buildings shall stand.

8. Rights and Duties of Owners, Tenants and Occupants of Units.

.1. Units, owners, etc subject to Declaration, Bylaws, and Rules and Regulations. All units and all present and future owners, tenants and occupants of units shall be subject to, and shall comply with the provisions of this Declaration, the Bylaws, and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any unit shall constitute an agreement that the provisions of this Declaration, the Bylaws, and the Rules and

Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant, and occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

.2. Exclusive ownership. Each owner shall be entitled to an undivided interest in the common elements in the percentages expressed in Exhibit "D" to this Declaration, which percentages of undivided interest of each owner shall have a permanent character and shall not be altered without the consent of all owners and holders of first mortgages of record, expressed in an Amendment to this Declaration duly recorded. The percentage of the undivided interest in the common elements shall not be separated from the unit to

which it appertains and shall be deemed to be conveyed or encumbered or released from liens with the unit even though such interest is not expressly mentioned or described in the conveyance or other instrument. Each owner may use the common elements in accordance with the purposes for which the same are intended, without hindering or encroaching upon the lawful rights of the other owners.

.3. Enforcement. Failure of any owners to comply strictly with the provisions of this Declaration, the Bylaws, and the Rules and Regulations shall be ground for an action to recover sums due, or damages, or injunctive relief or any or all of them. Such actions may be maintained by the Association on its behalf or on behalf of the unit owners aggrieved. In any case of flagrant or repeated violation by a unit owner, he may be required by the Association to give sufficient surety or sureties for his future compliance with the provisions of this Declaration,

the Bylaws, and the Rules and Regulations. Nothing herein contained shall prevent, in a proper case, an independent action by an aggrieved unit owner for such relief.

9. Maintenance. The responsibility for the maintenance of the condominium property shall be as follows:

.1. Units.

(a) By the Association. The Association shall maintain, repair and replace as its expense:

(i) All portions of a unit (except the interior surfaces, and the appurtenances mentioned in paragraph (b)(i) hereof) contributing to the support of the building, which portions shall include but not be limited to the outside walls and roof of the building and all fixtures thereon, and boundary walls of units, load-bearing columns and load-bearing walls, and the balconies, even though a balcony constitutes a part of a unit and is not a common element.

(ii) All conduits, ducts, plumbing, wiring, and other facilities for the furnishings of utility services which are contained in the portions of a unit maintained by the Association, except the air conditioning and heating system and the hot water heater appurtenant to such unit; and all such facilities contained within a unit which service part or parts of the condominium other than the unit within which contained.

(iii) All incidental damage caused to a unit by such work shall be promptly repaired at the expense of the Association.

(b) By the Unit Owners. The responsibility of the unit owner shall be as follows:

(i) To maintain, repair and replace at his expense all portions of his unit except the portions to be maintained, repaired and replaced by the Association. Such shall be done without disturbing the rights of other unit owners. Each central air conditioning and heating system,

including any portions thereof which are located outside of the units, and the hot water heater appurtenant to units shall be maintained by the owner of the unit to which such improvements are appurtenant.

(ii) Not to paint or otherwise decorate or change the appearance of any portion of the exterior of the building, including balconies.

(iii) To promptly report to the Association any defect or need for repairs, the responsibility for the remedying of which is that of the Association.

(c) Alteration and Improvement. Except as provided as to the Developer in Section 6.7 (b) of this Declaration, neither a unit owner nor the Association shall make any alterations in the portions of a unit or building which are to be maintained by the Association, or remove any portion thereof, or make any additions thereto, or do any work which would jeopardize the safety or

soundness of the building, or impair any easement, without first obtaining approval in writing of the owners of all other units in the building concerned and the approval of the Board of Directors of the Association, the initial expense of any such alteration or improvement to be borne by the party or parties seeking such alteration or improvement. Where necessary, any alterations or improvements so made shall be reflected in an Amendment to this Declaration which may be executed by the President of the Association, notwithstanding the procedures for Amendment described in Section 18. of this Declaration. Such Amendment shall state that it is being made pursuant to this Section 9.1.(c) of this Declaration.

.2. Common Elements.

(a) By the Association. The maintenance and operation of the common elements shall be the responsibility and the expense of the Association.

(b) Alteration and Improvement. After the completion of the improvements included in the common elements which are contemplated by this Declaration, there shall be no alteration nor further improvement of the common elements without prior approval in writing of seventy-five percent (75%) of the votes of the unit owners; provided, however, that any alteration or improvement of the common elements bearing the approval in writing of unit owners entitled to cast fifty-one percent (51%) of the votes in the Association, and which does not prejudice the rights of any owners not consenting, may be done if the owners who do not approve are relieved from the initial cost thereof. There shall be no change in the shares and rights and obligations of a unit owner in the common elements which are altered or further improved, whether or not the unit owner contributes to the initial cost thereof. Where necessary, any alterations or improvements so made shall be

reflected in an Amendment to this Declaration which may be executed by the President of the Association, notwithstanding the procedures for Amendment described in Section 18. of this Declaration. Such Amendment shall state that it is being made pursuant to this Section 9.2.(b) of this Declaration.

10. Assessments. The making and collecting of assessments against unit owners for common expenses shall be pursuant to the Bylaws and subject to the following provisions:

.1. Share of Common Expense. Each unit owner shall be liable for a proportionate share of the common expenses, and shall share in the common surplus, such share being the same as his percentage of ownership in the common elements, which is set out in Exhibit "D" attached hereto.

.2. Interest, Application of Payments. Assessments, and installments thereof, paid on or before thirty (30) days after the date when due

shall not bear interest, but all sums not paid on or before thirty (30) days after the date when due shall bear interest at the rate of eight percent (8%) per annum from the date when due until paid. All payments upon account shall be first applied to interest and then to the assessment payment first due.

.3. Liens for Assessments. The Association is hereby granted a lien upon each unit and its appurtenant undivided interest in the common elements, which lien shall secure and does secure the monies due for all assessments now or hereafter levied or subject to being levied against the owner of each unit, which lien shall also secure interest, if any, which may be due on the amount of any delinquent assessment owing to the Association, and which lien shall also secure all costs and expenses, including a reasonable attorney's fee, which may be incurred by the Association in enforcing this lien upon said unit and its

appurtenant undivided interest in the common elements. In any suit for the foreclosure of said lien, the Association shall be entitled to reasonable rental from the owner of any unit from the date of the commencement of such foreclosure proceedings and shall be entitled to the appointment of a receiver to collect same, without notice to the owner of such unit. The lien granted to the Association shall further secure such advances for taxes and other payments which may be advanced or paid by the Association in order to preserve and protect its lien, and the Association shall further be entitled to interest at the rate of eight percent (8%) per annum on any such advances made for such purposes. The lien granted to the Association shall be prior to all other liens, except only (i) tax liens on the unit in favor of the state and the county and (ii) all sums unpaid on a first mortgage of record, and where the holder of a first mortgage of record or other

purchaser of a unit obtains title to the unit as a result of foreclosure of a first mortgage, such acquirer of title, his successors and assigns, shall not be liable for payment of the lien granted to the Association for charges which became due prior to the acquisition of title to such unit by such acquirer, except for the acquirer's pro rata share of said charges which results from a pro rata reallocation of such charges to all units.

Except as stated immediately above, all persons, firms, partnerships, or corporations who shall acquire, by whatever means, any interest in the ownership of any unit, or who may be given or acquire a lien or other encumbrance thereon, are hereby placed on notice of the lien granted to the Association, and shall acquire such interest in any such unit expressly subject to such lien.

.4. No Exemption from Assessment. No owner of a unit may exempt himself from liability for contribution toward the common expenses by waiver

of the use or enjoyment of any of the common elements or by the abandonment of his unit.

11. Association. The operation and administration of the condominium shall be by an association, pursuant to the provisions of the Apartment Ownership Act of Alabama, which shall be incorporated as a non-profit corporation and which shall be organized and shall fulfill its function pursuant to the following provisions:

.1. Name. The name of the Association shall be Golf Terrace Association, Inc.

.2. Powers. The powers and duties of the Association shall include those set forth in the Apartment Ownership Act, those set forth in the Articles of Incorporation of the Association, and those set forth in this Declaration and the Bylaws of the Association, and shall also include the power to purchase a unit of the condominium.

(a) Qualification. The members of the Association shall consist of all of the unit owners.

(b) Change of Membership. Change of membership in the Association shall occur upon approval of a new unit owner by the Association in accordance with Section 15. of this Declaration, the newly approved unit owner thereupon becoming a member and the membership of the prior owner thereupon terminating; provided, however, that any new unit owner who has acquired title to a unit in any manner which is covered by Section 15 of this Declaration shall become a member upon presentation to the Association of proof of ownership satisfactory to the Association.

(c) Voting Rights. The vote for a unit shall be cast by the owner thereof or the owner of a possessory interest therein, or in the case of a corporate owner, by an officer or employee thereof. It is expressly understood that lessees shall have

no vote and shall not be entitled to cast the vote of the owner of the leased unit. Owners of more than one (1) unit shall be entitled to vote for each unit owned. However, should the Association be a unit owner, it shall not have the voting right for that unit. Owners who are more than sixty (60) days delinquent in the payment of any assessment or other payment due the Association shall have no vote on any matter on which owners would otherwise be entitled to vote as members of the Association.

(d) Designation of Voting Representative.

In the event a unit is owned by one (1) person, his right to vote shall be established by the record title to his unit. Where a unit is owned by a married couple, man and wife, the unit shall be considered as owned by one (1) person, and either the husband or wife may vote without filing a certificate with the Secretary of the Association. If a unit is owned by more than one (1) person, the person entitled to cast the vote for the unit shall

be designated by a certificate signed by all of the record owners of the unit and filed with the Secretary of the Association. If a unit is owned by a corporation, partnership or limited partnership, the officer, employee, or individual entitled to cast the vote for the unit shall be designated by a certificate of appointment signed by the president or vice-president and attested by the secretary or assistant secretary of the corporation (in the case of a corporation) or by the general partners (in the case of a partnership or limited partnership), which certificate shall be filed with the Secretary of the Association. If such a certificate is not on file with the Secretary of the Association for a unit owned by more than one (1) person or by a corporation, partnership or limited partnership, the membership or vote of the unit concerned shall not be considered in determining the requirement for a quorum nor for any purpose requiring the approval

of the person entitled to cast the vote for the unit. Such certificate shall be valid until revoked or until superseded by a subsequent certificate, or until a change in the ownership of the unit concerned is effected. A certificate designating the person entitled to cast the vote of a unit may be revoked by any owner thereof.

(e) Approval or Disapproval by Unit Owners. Whenever the approval or disapproval of a unit owner is required upon any matter, whether or not the subject of an Association meeting, such approval or disapproval shall be expressed by the same person who would cast the vote of such owner if in an Association meeting, unless the joinder of all record owners is specifically required by this Declaration.

(f) Restraint Upon Assignment of Shares in Assets. The share of a member in the funds and assets of the Association cannot be assigned,

hypothecated or transferred in any manner except as an appurtenance to his unit.

(g) The Association shall not fail to employ a professional manager for the condominium project unless holders of mortgages constituting first liens on units have given their prior written approval.

(h) Unless holders of mortgages comprising first liens on individual units have given their prior written approval, the Association shall not annex additional lands.

.4. Board of Directors. The affairs of the Association shall be conducted by a board of not less than three (3) nor more than nine (9) Directors, who shall be designated in the manner provided by the Bylaws.

.5. Indemnification. Every Director and Officer of the Association shall be indemnified by the Association against all expenses and liabilities, or any settlement thereof, including

counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party or in which he may become involved, by reason of his being or having been a Director or Officer of the Association, whether or not he is a Director or Officer at the time such expenses are incurred, except in such cases wherein the Director or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interests of the Association. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

.6. Limitation of Liability. Notwithstanding the liability of the Association to maintain and repair parts of the condominium property, the

Association shall not be liable for injury or damage caused by a latent condition of the property to be maintained and repaired by the Association nor for injury or damage caused by the elements or other owners or persons.

.7. Bylaws. The Bylaws of the Association are attached hereto as Exhibit "E".

12. Insurance. Insurance (other than title insurance), which shall be carried upon the condominium property and the property of the unit owners, shall be governed by the following provisions:

.1. Authority to Purchase. All insurance policies upon the condominium property shall be purchased by the Association in the name of the Association as Trustee for each of the unit owners in the percentages of ownership set forth in this Declaration, and their mortgages as their interests may appear, and provision shall be made for the issuance of certificates of mortgage endorsements

to the mortgagees of unit owners. Such policies shall be deposited with the Association. Unit owners may obtain additional insurance coverage at their own expense upon their own personal property, and for such other coverage, including personal liability, as they may desire.

.2. Coverage

(a) Casualty. All buildings and improvements upon the land and all personal property included in the condominium property shall be insured with a single insurance agent in an amount sufficient to avoid application of a co-insurance clause, but not more than the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association. Such coverage shall afford protection against:

(i) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and

(ii) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the land, including but not limited to vandalism and malicious mischief.

(b) Public Liability in such amounts and with such coverage as shall be required by the Board of Directors of the Association.

(c) Workman's Compensation policy to meet the requirements of the Alabama law.

(d) Such other insurance as the Board of Directors of the Association shall determine from time to time to be desirable.

.3. Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a common expense.

.4. Insurance Trustee; Shares of Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the unit owners and their mortgagees as their interests

may appear, and shall provide that all proceeds covering casualty losses shall be paid to the Association, as Trustee for each of the unit owners and their mortgagees in the percentages established by the Declaration, which said Association, for the purpose of these provisions, is herein referred to as the Insurance Trustee. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the same in trust for the purposes elsewhere herein stated and for the benefit of the unit owners and their mortgages, as follows:

(a) Common Areas and Facilities. Proceeds on account of damage to common areas and facilities - an undivided share for each unit owner, such share being the same as his undivided share in the common areas and facilities.

(b) Units. Proceeds on account of damage to units shall be held for the owners of damaged units in proportion to the cost of repairing the

damage suffered by each unit owner, which cost shall be determined by the Association.

(c) Mortgages. In the event a mortgagee endorsement has been issued as to a unit, the share of the unit owners shall be held in trust for the mortgagee and the unit owner as their interests may appear.

.5. Distribution of Proceeds. If the damage for which the proceeds are paid is to be repaired or reconstructed, the proceeds shall be used to defray the cost thereof as elsewhere herein provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners.

.6. Association as Agent. The Association is hereby irrevocably appointed agent for each unit owner and his mortgagee to adjust all claims arising under insurance policies purchased by the Association, and to execute and deliver releases upon the payment of claims.

13. Reconstruction or Repair After Casualty. In the event more than two-thirds (2/3) of the total number of units are substantially damaged or destroyed by fire or other casualty and members entitled to cast at least seventy-five percent (75%) of the votes in the Association do not within sixty (60) days from the date of such casualty make request in writing to the Board of Directors of the Association to proceed with repair or reconstruction, then and in that event the project shall be deemed to be owned in common by the owners of all of the units, each owner's share in common being as set out in Exhibit "D" hereto and the property shall be subject to an action for partition at the suit of the owner of any unit or the holder of any lien thereon, in which event the net proceeds of sale, together with the net proceeds of any insurance paid to the Insurance Trustee shall be considered as one fund and shall be distributed among the owners of all the units,

each owner's share in said fund being as set out in Exhibit "D" hereto. Any distribution to the owner of a unit upon which there is a mortgage constituting a first lien shall be made to such owner and his mortgagee jointly.

If the mortgage so provides, for the purposes of this Section, should a mortgagee holding a mortgage which constitutes a first lien on a unit express in writing within said sixty (60) days period such mortgagee's desire either to rebuild, repair or reconstruct or not to rebuild, repair or reconstruct the damaged or destroyed property, the expression of said mortgagee shall be deemed to be that of the unit owner, and any contrary expression by the owner of said unit shall be disregarded.

Other than as hereinabove provided, any property damaged or destroyed by fire or other casualty shall be promptly repaired or restored.

.1. Plans and Specifications. Any such reconstruction or repair must be substantially in

accordance with the plans and specifications for the original building, or as the building was last constructed.

.2. Responsibility. If the damage is only to those parts of a unit for which the responsibility of maintenance and repair is that of the unit owner, then the unit owner shall be responsible for reconstruction and repair after casualty. In all other instances the responsibility of reconstruction and repair after casualty shall be that of the Association.

.3. Estimates of Costs. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost rebuilding or repairing the damaged property so as to place it in as good condition as that before the casualty.

.4. Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of

reconstruction and repair by the Association, assessments shall be made against all unit owners in the case of damage to common areas and facilities in sufficient amounts to provide funds to pay the estimated costs. If at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs therefore are insufficient, assessments shall be made against all unit owners in the case of damage to common areas and facilities in sufficient amounts to provide funds for the payment of such costs. Such assessments for reconstruction and/or repair of damage shall be in proportion to the owner's share in the common areas and facilities.

.5. Construction Funds. The funds for payment of costs of reconstruction and repair after casualty for which the Association is responsible, which funds shall consist of proceeds of insurance held by the Insurance Trustee and funds collected

by the Association from assessments against unit owners, shall be disbursed in payment of such costs in the following manner:

(a) Unit Owner. The portion of insurance proceeds, if any, representing damage for which the responsibility of reconstruction and repair lies with the unit owner shall be paid by the Insurance Trustee to the unit owner, or if there is a mortgagee endorsement, then to the unit owner and the mortgagee jointly, who may use such proceeds as they may be advised and in accordance with the terms and conditions of this Declaration.

(b) Association - Lesser Damage. If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is less than the total of the annual assessments for recurring expense to be made during the year in which the casualty occurs, then the construction fund shall be disbursed in payment of such costs upon the order of the Board of Directors

of the Association; provided, however, that upon request to the Insurance Trustee by a mortgagee which is a beneficiary of an insurance policy the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage.

(c) Association - Major Damage. If the amount of estimated costs of reconstruction and repair which is the responsibility of the Association is more than the total of the annual assessments for recurring expense to be made during the year in which casualty occurs, then the construction fund shall be disbursed in payment of such costs in the manner required by the Board of Directors of the Association and upon approval of an architect qualified to practice in Alabama and employed by the Association to supervise the work.

(d) Surplus. It shall be presumed that the first monies disbursed in payment of costs of

reconstruction and repair shall be from insurance proceeds; and if there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere herein provided.

14. Use Restriction. The use of the property of the condominium shall be in accordance with the following provisions.

.1. Residential use Only. The condominium property shall be used only for residential purposes, and for the furnishing of services and facilities herein provided for the enjoyment of such residences.

.2. Nuisances. No nuisances shall be allowed upon the condominium property nor any use or practice which is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its

residents. All parts of the property shall be kept in a clean and sanitary condition and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist.

.3. Lawful use. No immoral, improper, offensive or unlawful use shall be made of the condominium property nor any part thereof; and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification or repair of the condominium property shall be the same as the responsibility for the maintenance and repair of the property concerned.

.4. Regulations. Reasonable regulations concerning the use of the condominium property may be made by the Developer and amended from time to time by the Board of Directors of the Association; provided, however, that all such amendments thereto

shall be approved by not less than a majority of the votes of the Association before such shall become effective. Members not present at meetings considering such regulations or amendments thereto may express their approval or disapproval in writing. Copies of such regulations or amendments thereto shall be furnished by the Association to all unit owners and residents of the condominium upon request.

.5. Proviso. Provided, however, that until Developer has completed and sold all of the units, or until December, 1974, or until Developer elects to terminate its control of the condominium, whichever shall first occur, neither the unit owners nor the Association nor the use of the condominium property by unit occupants shall interfere with the completion of the contemplated improvements and the sale of the units. Developer may make such use of the unsold units and common areas and facilities as may facilitate such

completion and sale, including but not limited to the showing of the property and the display of reasonable signs.

15. Maintenance of Community Interests. In the event of any transfer of ownership, possession, or use of a condo unit, including any sale, lease, rental, gift, devise or inheritance of a condo unit and before obtaining ownership, possession and use of the condo unit, the purchaser, lessee, renter, gift recipient, or heir (hereafter the "transferee") shall execute and deliver to the Secretary of the Association a certificate in the following form:

I want to obtain by transfer, ownership, possession and use of Unit _____ of the Golf Terrace Condominium and I hereby state under oath, as transferee, that I have received, read and understand the Declaration of Condominium, Bylaws, and Rules and Regulations of the Golf Terrace condominium and agree to, and will comply with, the

terms conditions and provisions thereof in this present form.

Transferee

Date

Witness

Upon receipt of the executed Certificate by the Secretary of the Association from the transferee, the transferee shall be approved as a member of the Association and entitled as an owner to vote as a member as set forth herein and in the Bylaws.

Failure to execute and deliver such a Certificate to the Secretary of the Association shall entitle the Association to deny the transferee ownership possession and use of the condo and to all legal and equitable remedies available under the law of the State of Alabama.

16. Compliance and Default. Each unit owner shall be governed by and shall comply with the terms of the Condominium Documents and regulations adopted pursuant thereto and said documents and regulations

as they may be amended from time to time. A default shall entitle the Association or other unit owners to the following relief in addition to the remedies provided by the Apartment Ownership Act.

.1. Negligence. A unit owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, negligence or carelessness or by that of any member of his family or of his or their guests, employees, agents, or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a unit or its appurtenances.

.2. Costs and Attorneys' Fees. In any proceeding arising because of an alleged default by a unit owner, the prevailing party shall be entitled to recover the costs of the proceeding and

such reasonable attorney fees as may be awarded by the court.

.3. No Waiver of Rights. The failure of the Association or of any unit owner to enforce any covenant, restriction or other provision of the Apartment Ownership Act, this Declaration, the Bylaws, or the Rules and Regulations shall not constitute a waiver of the right to do so thereafter.

17. Covenant Against Partition. There shall be no judicial or other partition of the project or of any part thereof, nor shall Developer or any person acquiring any interest in the project or any part thereof seek any such partition unless the property has been removed from the provisions of the Apartment Ownership Act, as in said Act (and amendments thereto) provided.

18. Amendment. Except as provided in Sections 6.2., 6.7.(b), 9.1.(c) and 9.2.(b), this Declaration of Condominium, including exhibits

hereto and by Bylaws of Golf Terrace Owners Association, Inc., may be amended in the following manner:

.1. Notice. Notice of the subject matter of the proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.

.2. Resolution. A resolution adopting a proposed amendment may be proposed by a majority of either the Board of Directors of the Association or the members of the Association, and after being proposed and approved by one (1) of such bodies, it must then be approved by the other to become effective. Directors and members not present at the meeting considering the amendment may express their approval or disapproval in writing, providing such approval or disapproval is delivered to the Secretary at or prior to the meeting. Such approvals must be by not less than a majority of the Directors and by not less than a majority of

the votes of the Association. If the mortgage so provides, for the purposes of this subsection any mortgagee holding a mortgage comprising a first lien upon any unit shall also express his approval or disapproval of such resolution, and if such mortgagee approves or disapproves of such resolution in writing, the unit owner (Association member) shall also be deemed to have approved or disapproved such resolution, as the case may be.

.3. Recording. A copy of each amendment shall be certified by the President and Secretary of the Association as having been duly adopted and shall be effective when recorded in the Probate Court records of Baldwin County, Alabama.

.4. Agreement. In the alternative, an amendment may be made by an agreement signed and acknowledged by all of the record owners of units in the condominium and those holding mortgages comprising first liens thereon in the manner required for the execution of a deed, and such

amendment shall be effective when recorded in the Probate Court records of Baldwin County, Alabama.

.5. Proviso. Provided, however, that no amendment shall discriminate against any unit owner nor against any unit or class or group of units unless the unit owners so affected shall consent; and no amendment shall increase or decrease the number of units, nor change the owners' percentage of individual interest in the common elements unless all owners and all record holders of mortgages comprising first liens thereon shall join in the execution of the amendment.

.6. Provisions Pertaining to the Developer. Notwithstanding any other provisions herein contained, for so long as the Developer continues to own any of the units, whether existing or to be constructed, the following provisions shall be deemed to be in full force and effect, none of which shall be construed so as to relieve the Developer from any obligations of a unit owner to

pay assessments as to each unit owned by it, in accordance with the condominium Documents:

(a) The Developer reserves the right to amend the Bylaws of the Association.

(b) The Developer reserves the unrestricted right to sell, assign or lease any units which it continues to own after the recording or filing of the Condominium Documents, and to post signs on the condominium property.

(c) The Directors of the Association shall be designated by the Developer and such Directors as may be so designated need not be unit owners.

(d) Any mortgage of any form taken by Developer in connection with the sale of unit may be assigned by Developer at any time to any bank or other financing institution of its choosing. Any such mortgages shall contain a provision recognizing this right of assignment.

.7. Notice to Mortgagees of Changes in Condominium Documents. In addition to all

provisions hereinbefore set out pertaining to amendments to or changes in any of the Condominium Documents and approval thereof by any mortgagees who are holders of mortgages comprising first liens on units, the Association shall deliver to such mortgagees written notice of any such amendment or change thirty (30) days prior to the effective date of any such amendment or change; provided, however, that execution of a consent or agreement to any such amendment or change by any such mortgagee shall constitute a waiver of the notice requirement of this Section by any such consenting or agreeing mortgagee. Further, such mortgagees shall be entitled to written notification from the Association thirty (30) days prior to any change of manager of the condominium project.

19. Notice to Mortgagee of Default by Unit Owner.

In the event of any default in the performance by a unit owner of any of his duties or obligations under this Declaration, the Bylaws, or the Rules

and Regulations of the Association, the Association shall, if such default is not cured within thirty (30) days, give written notice of such default to the holder of a mortgage constituting a first lien on the unit of such defaulting owner.

20. Value of property and Units. Attached hereto as Exhibit "D", and made a part hereof, is a schedule showing the value of the condominium property and of each apartment and the percentage of undivided interest in the common areas and facilities appertaining to each apartment.

21. Termination. The condominium may be terminated in the manner provided by the Apartment Ownership Act and amendments thereto; provided, however, that in the event of termination, each unit shall be subject to the payment of its percentage of the common expenses as heretofore defined.

22. Severability. The invalidity in whole or in part of any covenant or restriction, or any

section, subsection, sentence, clause, phrase or word, or other provision of this Declaration of Condominium and the Bylaws of the Association shall not affect the validity of the remaining portion thereof.

IN WITNESS WHEREOF, the said Lake Forest, Inc., has caused this Declaration to be executed by its officers hereunto duly authorized on the day and year first above written.

LAKE FOREST, INC.

By _____

As Its _____

By _____

As Its _____

STATE OF ALABAMA)

COUNTY OF BALDWIN)

I, the undersigned Notary Public in and for
said County in said State, hereby certify that

_____ and _____

Whose names as _____ and _____,

respectively of LAKE FOREST, INC., a corporation,
are signed to the foregoing instrument, and who are
known to me, acknowledged before me on this day
that, being informed of the contents of the
instrument, they as such officers and with full
authority, executed the same voluntarily for and as
the act of said corporation.

Given under my hand and Notarial Seal this ____
Day of _____, ____.

Notary Public, Baldwin County,
Alabama

My Commission Expires:

ARTICLES OF INCORPORATION

GOLF TERRACE OWNERS ASSOCIATION, INC.

Be it known, that we, the undersigned persons acting as incorporators of a corporation under the laws of the State of Alabama, and in particular, Chapter 10, Title 10, Code of Alabama (as amended), Non-Profit Corporation Act (Act No., 578, 1955 Acts of the Legislature of Alabama, approved September 12, 1955) and the Apartment Ownership Act (Act No. 206, 1964 Acts of the Legislature of Alabama, First Extra Session, approved September 1, 1964), adopt the following Articles of Incorporation for such corporation:

Article I

Name

The name of the corporation shall be GOLF
TERRACE OWNERS ASSOCIATION, INC.

Article II

Type - Duration

This Corporation is and shall remain a non-profit corporation. The period of its duration is perpetual unless and until hereafter lawfully dissolved.

Article III

Purposes

The purpose or purposes for which the corporation is organized are:

1. To administer, maintain, and operate that certain condominium known as GOLF TERRACE, according to the Declaration of Condominium of Golf Terrace, a Condominium, dated December 29, 1972 ("Declaration") and recorded in Apartment Ownership Book 1, Pages 75 through 120, as amended by Amendments to said Declaration dated February 15, 1973, and March 9, 1973, and recorded respectively

in Apartment Ownership Book 1, Pages 121-124 and Pages 125-127 of the records in the office of the Judge of Probate of Baldwin County, Alabama. ** And amendment dated April 30, 1988 to the Declaration, Exhibit "F", and amendments dated March 8, 2008 to the Declaration, Bylaws and Rules and Regulations. **

2. To maintain the above-mentioned condominium, and all improvements located thereon, to make payments of taxes, insurance, repairs, and any other expenses necessary to the maintenance of said property as a condominium, and to pay operating expenses of every kind and character whatsoever, and any other expenses necessary therefore, or to beautify and make other desirable improvements from time to time as this corporation shall deem advisable.

3. To maintain or operate said condominium for the mutual benefit of all of the owners of units located therein, who shall be members herein, and

to assess the owners of units for their pro-rata share of costs and expenses incurred under the provisions of the Declaration, the Bylaws of this corporation, and the Rules and Regulations.

4. To purchase a unit or units in said condominium, in accordance with the provisions of the Declaration of Condominium.

5. To transact all business being not for profit consistent with the purposes for which the corporation is organized, to collect all monies necessary for all operations of the corporation, and to pay all indebtedness that may be incurred by the corporation.

6. To exercise all of the authorities and powers given and granted to an association of apartment owners under and pursuant to the provisions of the Apartment Ownership Act of Alabama and to exercise those authorities, powers and rights as are set out in the Declaration of Condominium of Golf Terrace, as amended.

7. To exercise all of the authorities and powers given and granted to a corporation not for profit as are set out in the Alabama Non-Profit Corporation Act, and any amendments thereto.

Article IV

Members

This corporation shall issue no shares of stock of any kind or nature whatsoever. The members of the corporation shall be the owners of units in GOLF TERRACE, a condominium, in accordance with the Declaration, and the members shall enjoy such qualifications and rights as may be fixed in the Bylaws of the corporation and in the Declaration.

Article V

Registered Office and Agent

The address of the initial registered office of the corporation is Unit A-103, Golf Terrace Condominium, Lake Forest, Baldwin County,

Alabama, and the name of its initial registered agent at such address is Rex Nichols.

Article VI

Government

A. The number of Directors constituting the initial Board of Directors of the corporation is three (3), and the names and addresses of the persons who are to serve as the initial Directors are:

William Moseley	Penthouse Garden Apts., 1550 E. 2 nd Street Pass Christian, Miss. 39571
Ray Purvis	2201 Milner Blvd Handsboro Station Gulfport, Miss. 39501
P. Holcomb Hector	49 Lawrence Drive Berkeley Heights, N.J. 07922

B. The name and address of each initial incorporator of the corporation is as follows:

William Moseley	Penthouse Garden Apts., 1550 E. 2 nd Street Pass Christian, Miss. 39571
Ray Purvis	2201 Milner Blvd Handsboro Station Gulfport, Miss. 39501
P. Holcomb Hector	49 Lawrence Drive Berkeley Heights, N.J. 07922

C. Any action required or permitted to be taken at any meeting of the members or of the Board

of Directors, or of any committee thereof, may be taken without a meeting, if prior to such action a written consent thereto is signed by all Members or by all members of the Board, or of any committee thereof, as the case may be, and such written consent is filed with the minutes of the proceedings of the Association or of the Board or committee, as the case may be. The Board of Directors shall have the right and power to delegate, by appropriate resolution, such of its authorities, duties and obligations as it may deem necessary and proper, to agents or committees appointed by it.

D. Initial Directors. The initial Directors shall be designated by Lake Forest, Inc., the Developer of the condominium project, and shall serve until Lake Forest, Inc. has sold all of the units in the condominium, or until Lake Forest, Inc. elects to terminate its control of the condominium, or until December, 1974, whichever

shall first occur. Subsequent Directors shall be selected in accordance with the Bylaws.

E. Officers. The officers of the corporation and the method of selection, the term of office and their authority, powers and duties shall be as provided in the Bylaws.

Article VII

Non-Profit Organization

The corporation is not organized for pecuniary profit and no part of its net earnings shall enure to the benefit of any member, Director, or individual. The balance, if any, of all money received by the corporation from its operations, after the payment in full of all debts and obligations of the corporation of whatsoever kind and nature, shall be used and distributed solely and exclusively in the manner provided by the Apartment Ownership Act of Alabama.

IN WITNESS WHEREOF, the subscribers hereto have hereunto set their hands and seals, this the 29th day of March, 1973, in Mobile County, Alabama.

(SEAL)

(SEAL)

(SEAL)

STATE OF ALABAMA)

COUNTY OF MOBILE)

Before me, _____, a Notary Public in and for said County in said State, personally appeared _____, being known to me and who, being by me first duly sworn, deposes and says that he is one of the initial incorporators of GOLF TERRACE OWNERS ASSOCIATION, INC.; that he is authorized to make this verification on behalf of the initial

subscribers of the corporation, and that the facts contained in the above and foregoing Articles of Incorporation are true and correct.

Sworn to and subscribed to

Before me, this the 29th day

Of March, 1973.

Notary Public, State at Large, Alabama

My Commission Expires: _____

This instrument Prepared by:

Geoffrey C. Parker

Armbrecht, Jackson & DeMouy

P.O. Box 290

Mobile, Alabama 36601

BYLAWS

OF

GOLF TERRACE OWNERS ASSOCIATION, INC.

1. IDENTITY. These are the Bylaws of GOLF TERRACE OWNERS ASSOCIATION, INC., an association organized pursuant to Title 47, Section 286 et seq. (Code of Alabama 1940, as recompiled and amended), herein called the Apartment Ownership Act, for the purpose of administering GOLF TERRACE, a condominium located at LAKE FOREST, BALDWIN County, Alabama.

.1. The office of the Association shall be at _____, in the place provided therefore.

.2. The fiscal year of the Association shall be the calendar year.

.3. Where these Bylaws refer to or use "he" or "his", the reference shall mean "he" or she", or "his" or "she", with no preference intended as to gender.

EXHIBIT "E"

2. MEMBERS' MEETINGS.

.1. The annual members' meeting shall be held at the office of the Association at _____, Local Time, on the second _____ in each year for the purpose of electing Directors and of transacting any other business authorized to be transacted by the members; provided, however, if that day is a legal holiday, the meeting shall be held at the same hour on the next day following that is not a legal holiday.

.2. Special members' meetings shall be held whenever called by the President or Vice-President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members entitled to case twenty-five (25%) percent of the votes in the Association.

.3. Notice of all members' meetings stating the time and place and the objects for which the meeting is called shall be given by the President

or Vice-President or Secretary unless waived in writing. Such notice shall be in writing to each member as his address as it appears on the books of the Association and shall be mailed not less than ten (10) days nor more than thirty (30) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of meeting may be waived before or after meetings.

.4. Voting. Each member shall be entitled to a vote equal to the share of the common elements owned by the member.

.5. A quorum at members' meetings shall consist of persons entitled to cast a majority of the votes of the entire membership. As used in these Bylaws the term "majority" means fifty-one (51%) percent of the votes of the members.

.6. Proxies. Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote and shall be valid only for the particular

meeting designated therein and must be filed with the Secretary before the appointed time of the meeting.

.7. Vote required to transact business. When a quorum is present at any meeting, the holders of a majority of the voting rights present in person or represented by written proxy shall decide any questions brought before the meeting, unless the question is one upon which, by express provision of the statutes, the Declaration of Condominium, or the Bylaws, a different number is required, in which case the express provision shall govern and control the decision in question.

.8. Adjourned meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

.9. The order of business at annual members' meeting and, as far as practical, at all other members' meetings, shall be:

- (a) Call to order
- (b) Calling of the roll and certifying of proxies
- (c) Proof of notice of meeting or waiver of notice
- (d) Reading and disposal of any unapproved minutes
- (e) Reports of officers
- (f) Reports of committees
- (g) Election of Directors
- (h) Unfinished business
- (i) New business
- (j) Adjournment

.10. Proviso. Provided, however, that until the DEVELOPER of the condominium has completed and sold all of the units of the condominium or until _____, or until DEVELOPER elects to terminate

its control of the condominium, whichever shall first occur, there shall be no meeting of members of the Association unless a meeting is called by the Board of Directors.

3. BOARD OF DIRECTORS.

.1. Membership. The affairs of the Association shall be conducted by a Board of Directors consisting of such number not less than three (3) nor more than nine (9) as shall, from time to time, be determined and fixed by vote of a majority of the voting rights present at any annual meeting of the members. Each Director shall be a person entitled to cast a vote in the Association, except as provided by subparagraph .2.(d) below.

.2. Election of Directors shall be conducted in the following manner:

(a) Directors shall be elected at the annual meeting of the members of the Association.

(b) Except as to vacancies created by removal of Directors by members, vacancies in the

Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors.

(c) Any Director may be removed by concurrence of two-thirds (2/3) of the members of the Association at a special meeting of the members called for that purpose. The vacancy thus created shall be filled at the same meeting by the members of the Association in the same manner as was provided for the election of the removed Director.

(d) Provided, however, that until DEVELOPER has completed and sold all of the units of the condominium, or until _____, or until DEVELOPER elects to terminate its control of the condominium, whichever shall first occur, all Directors shall be designated by DEVELOPER and need not be owners of units in the condominium.

.3. The term of each Director's service shall be extended until the next annual meeting of the members and thereafter until his successor is duly

elected and qualified or until he is removed in the manner elsewhere provided.

.4. The organization meeting of the newly elected or designated Board of Directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary, provided a quorum shall be present.

.5. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

.6. Special meetings of the Directors may be called by the President, and must be called by the Secretary at the written request of one-third (1/3) of the votes of the Board. Not less than three (3)

days' notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

.7. Waiver of notice. Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

.8. A quorum at Directors' meetings shall consist of the Directors entitled to cast a majority of the votes of the entire Board of Directors. The acts of the Board approved by a majority of votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except where approval by a greater number of Directors is required by the Declaration of Condominium or by these Bylaws. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time

until a quorum is present. At any adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

.9. The presiding officer of Directors' meetings shall be the President. In the absence of the President, the Directors present shall designate one (1) of their number to preside.

.10. Directors shall serve without compensation.

.11. Anything herein to the contrary notwithstanding, any action required or permitted to be taken by any meeting of the Board of Directors or any Committee hereof may be taken without a meeting, if prior to such action a written consent thereto is signed by all members of

the Board or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board or committee.

4. POWERS AND DUTIES OF THE BOARD OF DIRECTORS.

All of the powers and duties of the Association existing under the Articles of Incorporation, the Apartment Ownership Act, the Declaration of Condominium, and these Bylaws shall be exercised exclusively by the Board of Directors or its agent or employees, subject only to approval by unit owners when such is specifically required.

5. OFFICERS.

.1. The executive officers of the Association shall be a President, who shall be a Director; a Vice-President, who shall be a Director; a Treasurer and a Secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the Directors at any meeting. Any person may hold two (2) or more offices except that the President shall

not also be the Secretary. The Board of Directors shall from time to time elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

.2. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of President of an Association, including but not limited to the power to appoint committees from among the members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Association.

.3. The Vice-President shall, in the absence of or disability of the President, exercise the powers and perform the duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

.4. The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving and serving of all notices to the members and Directors and other notices required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of the Secretary of an association as may be required by the Directors or the President.

.5. The Treasurer shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. He shall keep the financial records and books of account of the Association in accordance with good accounting practices; shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the common areas and

facilities, specifying and itemizing the maintenance and repair expenses of the common areas and facilities and any other expenses incurred; and he shall perform all other duties incident to the office of Treasurer. The records, books of account, and the vouchers authorizing payments, shall be available for examining by a member of the Association at convenient hours of weekdays.

.6. The compensation of all employees of the Association shall be fixed by the Directors. This provision shall not preclude the Board of Directors from employing a Director as an employee of the Association nor preclude the contracting with a Director for the management of the condominium.

6. FISCAL MANAGEMENT.

.1. Budget. The Board of Directors shall adopt a budget for each calendar year, which shall include estimated common expenses; including a reasonable allowance for contingencies and reserves less the unneeded fund balances on hand. Copies of

the budget and proposed assessments shall be transmitted to each member on or before December 1st preceding the year for which the budget is made. If the budget is subsequently amended before the assessments are made a copy of the amended budget shall be furnished each member concerned.

.2. Assessments for recurring common expenses.

Assessments for recurring common expenses which include, but are not limited to, expenses of administration, maintenance, repair or replacement of the common and limited common areas and facilities, shall be made for the calendar year annually in advance, on or before December 20th preceding the year for which the assessments are made. Such assessments shall be due in monthly installments on the 1st day of each month of the year for which the assessments are made. If such annual assessment is not made as required, an installment in the amount required by the last prior assessment shall be due upon each installment

payment date until changed by a new assessment. The total of the assessments for recurring common expenses shall be not more than one hundred ten (110%) percent of the assessments for this purpose for the prior year unless approved in writing by unit owners entitled to cast a majority of the votes in the Association. In the event such an annual assessment proves to be insufficient, it may be amended at any time after approval in writing by unit owners entitled to cast a majority of the votes in the Association, and the amended assessment for the remaining portion of the calendar year shall be due at the time the next monthly installment is due. The first assessment shall be determined by the Board of Directors of the Association.

.3. Acceleration of assessment installments upon default. If a unit owner shall be in default in the payment of an installment upon any assessment, the Board of Directors may accelerate

the remaining installments of such assessment upon notice thereof to the unit owner, and thereupon the unpaid balance of the assessment shall become due and payable upon the date stated in the notice, but not less than ten (10) days after delivery thereof to the unit owner, or not less than twenty (20) days after the mailing of such notice to him by registered or certified mail, which shall first occur.

.4. Assessments for emergencies. Assessments for common expense for emergencies which cannot be paid from the assessments for recurring expenses shall be made only after notice of the need therefore to the unit owners concerned. After such notice and upon approval in writing of more than one-half (1/2) of such unit owners concerned, the assessment shall become effective, and it shall be due after thirty (30) days' notice thereof in such manner as the Board of Directors of the Association may require.

.5. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Directors and in which monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Directors.

.6. An audit of the accounts of the Association shall be made at least once every three (3) years by a certified public accountant, not a member of the Association, and a copy of the report shall be furnished to each member of the Association not later than two (2) months after the audit is completed. Any member of the Association may request an audit at any time at the requesting members' expense; provided that if the audit shows a discrepancy in the accounts in an amount in excess of five (5) percent of the total assessments for recurring expenses in any one (1) year, the Association shall pay the cost of the audit.

.7. Fidelity bonds shall be required by the Board of Directors from all officers and employees of the Association and from any manager handling or responsible for Association funds. The amount of such bonds shall be determined by the Directors, but shall be at least the amount of the total annual assessments against members for recurring expenses. The premiums on such bonds shall be paid by the Association.

8. MAINTENANCE, REPAIR AND REPLACEMENT OF COMMON ELEMENTS. The necessary work of maintenance, repair and replacement of the common areas and facilities and the making of any additions or improvements thereto shall be carried out as provided in the Declaration.

9. PARLIAMENTARY RULES. Roberts Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Apartment Ownership act, Declaration of Condominium, or these Bylaws.

10. AMENDMENTS. These Bylaws may be amended by following the provisions of paragraph 18 of the Declaration of Condominium.

The foregoing were adopted as the Bylaws of GOLF TERRACE OWNERS ASSOCIATION, INC., an association organized pursuant to Title 47 Section 286 et seq. (Code of Alabama 1940, as recompiled and amended), herein called the Apartment Ownership Act, at the first meeting of the Board of Directors on _____, _____.

Secretary

Approved:

President

THE GOLF TERRACE OWNERS ASSOCIATION, INC.

RULES AND REGULATIONS

FOR USE OF

GOLF TERRACE, a condominium

1. The properties and facilities of Golf Terrace are for the use of unit residents and their invited guests.
2. No fence, rail, hedge or tree shall be placed on the condominium without written consent of the Board of Directors of the Association.
3. There shall be no outside television or radio antenna constructed, installed or maintained on the exterior of any unit or on the common elements provided, however, disc television antennas not larger than eighteen (18) inches in diameter may be professionally installed for use by a unit owner in an inconspicuous location on the exterior of his building on the outside walls of his unit, meaning those outside walls of the condominium building in

which his unit is located immediately outside of and adjacent to the interior walls that define his unit; however, the unit owner shall be responsible for any damage to the building resulting from the installation or presence of the disc antenna and shall pay for any corrective action or expense of repair or reconstruction, and any such repair or reconstruction shall meet the requirements of and be approved by the Board of Directors. Any failure to pay for such repair or reconstruction shall be cause for the Association to pursue all remedies permitted by the Declaration and Bylaws of the Association and to place a lien on his unit.

4. No posts, pole or flagpole shall be erected, constructed or placed upon the units or any of the condominium property.

5. No tent, shack, trailer, basement, garage, out building or structure of any kind (except the condominium structures) shall at any time be used or permitted on or in the condominium properties,

either temporarily or permanently; nor shall any truck, except four-wheel pick-up trucks of the size, finish and type sold by retail passenger car dealers of the major automobile manufacturers and frequently providing substantial use as personal and family transportation; camper, trailer or other single or multi-purpose engine powered vehicle other than a standard automobile or four-wheel pick-up trucks of the size, finish and type sold by retail automobile dealers of the major automobile manufacturers and frequently providing substantial use as personal and family transportation, or approved golf cart be kept or parked on any part of the condominium except temporarily and solely for the purpose of loading and unloading. No boat shall be kept or parked on the condominium unless the boat and the manner of parking and keeping same is approved by the Board of Directors of the Association.

6. No commercial business or enterprise shall be conducted in, on or from any part of the condominium; and nothing shall be done in, on or from any unit or on any part of the condominium which is or may become an annoyance or nuisance.
7. No articles shall be hung or shaken from the doors, windows, or balconies or placed upon the window sills or balconies of the units. Under no circumstances shall laundry, bathing suits, or other articles be placed on porches or balconies or otherwise hung outside a unit for drying.
8. No livestock of any description may be kept or permitted in any apartment with the exception of dogs, cats, and other animals which are qualified household pets, and which do not make objectionable noise or constitute a nuisance or inconvenience to owners of other apartments. No raising, breeding, training or dealing in dogs, cats, or other animals may be permitted on or from any apartment. No owner, regardless of the number of apartments he

owns, may have more than two dogs or two cats, or one dog and one cat, in his apartment or apartments and any such dogs or cats may not exceed 15 pounds in weight each. All dogs and cats, when outside of the apartment, must be leashed and in the company of the owner, or a member of his family or a guest.

9. No owner shall make or permit any noises that will disturb or annoy the occupants of any of the units in the condominium or do or permit anything to be done which will interfere with the rights, comfort or convenience of other owners.

10. Each owner shall keep his unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors, windows, or balconies thereof, any dirt or other substance. All garbage and refuse shall be deposited with care in garbage containers intended for such purpose only at such times and in such manner as the Association may direct. No trash, leaves or other articles shall

be burned, and all disposals shall be in accordance with instructions given to the owner by the Association. Wet garbage shall be deposited in the owner's disposal rather than in the garbage containers whenever possible.

11. No sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted, or affixed by any unit owner on any part of the outside of any building, hung from windows or placed on window sills, or otherwise displayed, without the prior written consent of the Association, except "for sale", or "for rent" signs of mortgagees in possession or "for sale", or "for rent" signs approved by the Association and signs of the Developer pending construction and sale of the condominium units.

12. No work of any kind is to be done upon exterior building walls or upon interior boundary walls without first obtaining the approval required by the Declaration of Condominium.

13. The Association, its manager, if any, its workmen, contractors, or agents shall have the right of access to any unit at any reasonable hour of the day for the purpose of making inspections, repairs, replacements or improvements, or to remedy any condition which would result in damage to other portions of the building, or for any purpose permitted under the terms of the Declaration or the Bylaws. Except in case of emergency, entry will be made by pre-arrangement with the owner. In the event the Association finds there are vermin, insects or other pests, it may take such measures as it deems necessary to control or exterminate the same.

14. The washing of cars or other vehicles shall be permitted only in designated areas.

15. No owner shall use or permit to be brought into a unit any inflammable oils or fluids such as gasoline, kerosene, naphtha or benzene, or other explosives or articles deemed extra hazardous to

life, limb or property, without in each case obtaining the written consent of the Association. Outdoor charcoal and gas grills may not be operated on porches and balconies and may not be operated any closer than ten (10) feet from any wall or wooden portion of any building.

16. These Rules and Regulations are subject to amendment and to the promulgation of further Rules or Regulations by the Association.

EXHIBIT "D"

SHARES - GOLF TERRACE CONDOMINIUM

Schedule showing unit number and percentage
of undivided interest of each unit in common
elements.

<u>UNIT</u>	<u>PERCENTAGE</u>	<u>UNIT</u>	<u>PERCENTAGE</u>
A 101	1.35%	E 217	2.24%
A 102	1.61%	F 118	1.61%
A 103	2.24%	F 119	1.61%
A 201	1.35%	F 120	1.61%
A 202	1.61%	F 121	2.24%
A 203	2.24%	F 220	1.61%
B 104	2.24%	F 221	2.24%
B 204	2.24%	G 122	1.61%
C 105	2.24%	G 123	1.61%
C 106	1.61%	G 124	1.61%
C 107	1.61%	G 222	1.61%
C 108	1.61%	G 223	1.61%
C 205	2.24%	G 224	1.61%
C 206	1.61%	H 125	1.61%

<u>UNIT</u>	<u>PERCENTAGE</u>	<u>UNIT</u>	<u>PERCENTAGE</u>
C 207	1.61%	H 126	1.61%
C 208	1.61%	H 127	1.61%
D 109	2.24%	H 128	1.61%
D 111	1.61%	H 129	1.61%
D 112	2.24%	H 130	1.61%
D 113	2.24%	H 131	2.24%
D 209	2.24%	H 225	1.61%
D 211	1.61%	H 226	1.61%
D 212	2.24%	H 227	1.61%
D 213	2.24%	H 228	1.61%
E 114	2.24%	H 229	1.61%
E 115	1.61%	H 230	1.61%
E 117	2.24%	H 231	2.24%

EXHIBIT "A"

PERIMETER DESCRIPTION
GOLF TERRACE CONDOMINIUM SITE

FROM THE NORTHEAST CORNER OF LOT 2, UNIT 8, LAKE FOREST, A PLAT OF WHICH IS RECORDED IN MAP BOOK 7, PAGE 95, OF THE BALDWIN COUNTY, ALABAMA, PROBATE RECORDS, SAID POINT BEING 1031.45 FEET SOUTH AND 3226.26 FEET EAST OF THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF SECTION 32, TOWNSHIP 4 SOUTH, RANGE 2 EAST, RUN THENCE NORTHWESTWARDLY 50 FEET ALONG A CURVE TO THE RIGHT IN THE WEST RIGHT-OF-WAY OF BAYVIEW DRIVE, SAID CURVE HAVING A RADIUS OF 535.38 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE NORTHWESTWARDLY ALONG SAID CURVE 56.7 FEET TO THE BEGINNING OF A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 50 FEET; THENCE RUN NORTHWESTWARDLY ALONG SAID CURVE 65.92 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 285.41 FEET; THENCE RUN NORTHWESTWARDLY ALONG SAID CURVE 329.20 FEET TO THE

BEGINNING OF A CURVE TO THE LEFT, SAID CURVE HAVING
A RADIUS OF 195.91 FEET; THENCE RUN NORTHWESTWARDLY
ALONG SAID CURVE 162.42 FEET TO THE END OF SAID
CURVE; THENCE RUN N89DEGREES 30'W, 38 FEET TO THE
BEGINNING OF A CURVE TO THE LEFT, SAID CURVE HAVING
A RADIUS OF 136.97 FEET; THENCE RUN SOUTHWESTWARDLY
ALONG SAID CURVE 155.39 FEET TO THE BEGINNING OF A
CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF
264.12 FEET; THENCE RUN SOUTHWESTWARDLY ALONG SAID
CURVE 82.98 FEET TO THE END OF SAID CURVE; THENCE
RUN S22DEGREES48'30"W, 65.95 FEET; THENCE RUN EAST
70 FEET; THENCE RUN N31DEGREES46'51"E, 108.23 FEET
TO A POINT HEREINAFTER DESIGNATED AS POINT "A";
THENCE RUN S61DEGREES29'32"E, 356.19 FEET; THENCE
RUN S87DEGREES18'58"E, 256.28 FEET; THENCE RUN
N28DEGREES03'32"E, 108.61 FEET TO THE POINT OF
BEGINNING; SUBJECT HOWEVER, TO AN EASEMENT FOR
DRAINAGE AND UTILITIES, SAID EASEMENT BEING
DESCRIBED AS FOLLOWS:

BEGINNING AT POINT "A" HEREIN BEFORE DESCRIBED RUN
THENCE S31DEGREES46'51"W, 15.02 FEET; THENCE RUN
N61DEGREES29'32"W, 77 FEET; THENCE RUN WEST 12.43
FEET TO A POINT IN A CURVE, SAID CURVE HAVING A
RADIUS OF 264.12 FEET; THENCE RUN NORTHEASTWARDLY
ALONG SAID CURVE, TO THE RIGHT 21.07 FEET; THENCE
RUN S61DEGREES29'32"E, 91.12 FEET TO THE POINT OF
BEGINNING.